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India

Agricultural Situation

Weekly Highlights and Hot Bites, #4 2004

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Report Highlights:

GOI plans stringent norms for food products, *New test procedures for food imports*,

Government to regulate refined soy oil import, *GM crops may be on faster track*,

Investigate pesticides in food chain: CSE.

Includes PSD Changes: No

Includes Trade Matrix: No

Unscheduled Report

New Delhi [IN1]

[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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GOI PLANS STRINGENT NORMS FOR FOOD PRODUCTS

As part of the initiative to put in place stringent quality standards for food products, the government of India has begun discussions with state governments to amend the Prevention of Food Adulteration Act (PFA Act). Food processing is a state subject. "Setting stringent quality standards across all food products is engaging the attention of the government on a priority basis," an official said. (Source: Business Line, 02/03/04)

NEW TEST PROCEDURES FOR FOOD IMPORTS

In a move aimed at reducing transaction costs for imported food items, the government has simplified sampling rules on testing imported consignments. However, "high risk" food items like fruits, vegetables, meat, fish, cheese, etc., will continue to be subjected to the existing sampling rules, where samples for testing are drawn from each and every consignment. Per the new rules in case of food items not in the high risk category, samples will be drawn from the first five consignments by an individual importer to ascertain compliance with the quality and safety standards prescribed in Prevention of Food Adulteration Act (PFA). In case the samples fail to meet PFA standards, Customs have been given the mandate to put the particular food item on 'high-risk' alert and reinstitute 100% testing. Details of the new procedures are available at: <http://dgftcom.nic.in/exim/2000/cir/cir03/cir2503.htm>
Also refer: <http://www.cbec.gov.in/cae/customs/cs-circulars/cs-circulars01/58-2001-cus.htm>

Post comment: Since June 2001, Indian customs clearance procedures mandated compulsory detention and testing of each and every import consignment prior to clearance. This regulation caused delays at ports and increased costs to the importers. The new procedures are expected to provide relief to bulk import commodities from the U.S. such as almonds, vegetable oil, and consumer food products. (Source: Economic Times, 1/30/04)

GOVERNMENT TO REGULATE REFINED SOY OIL IMPORT

Following the removal of the Special Additional Duty of 4 percent (effective January 9, 2004), the tariff on imports of crude and refined soybean oil are equal at 45 percent, the WTO bound rate. This may necessitate the establishment of a tariff value for refined soybean oil.

Further, the news report proposes that the government should restrict genetically engineered soybean oil imports on biotech grounds, in order to strengthen India's bargaining position to raise the WTO-bound rate of 45 percent for soybean oil, fixed about eight years ago. (Source: Business Line 1/24/04)

GM CROPS MAY BE ON FASTER TRACK

News reports indicate that the MS Swaminathan committee is considering a change in the regulatory procedure for clearing genes for biosafety (environmental and food safety), in order to insert into different varieties of a particular crop. This could cut one to two years off trials, thus saving time and money for developers of genetically engineered crop varieties.

Any transgenic variety incorporating the cleared gene could go straight for agronomic evaluation. At the moment, any transgenic crop must go through years of trials for biosafety and agronomic evaluation. (Source: Times of India 1/26/04)

INVESTIGATE PESTICIDES IN FOOD CHAIN: CSE

Following the Joint Parliamentary Committee's report confirming pesticide residues in soft drinks, the Center for Science and Environment (CSE), a NGO, urged the government to put in place a unified food law to regulate the quality of all categories of edible products. CSE also demanded a detailed probe of pesticide contamination in the entire food chain. (Business Standards, 02/06/04)

Post Comment: Cotton cultivation accounts for 50 percent of pesticide use in India. Bt cotton reduces such use.

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